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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-944]

Certain Oil Country Tubular Goods from the People's Republic of China: Partial Rescission and Preliminary Results of Countervailing Duty Administrative Review; 2012

AGENCY: Enforcement and Compliance, formerly Import Administration, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (the Department) is conducting an administrative review of the countervailing duty order on certain oil country tubular goods (OCTG) from the People's Republic of China (PRC). The period of review (POR) is January 1, 2012, through December 31, 2012. We preliminarily determine that Wuxi Seamless Oil Pipe Co., Ltd. (Wuxi) and Jiangsu Chengde Steel Tube Share Co., Ltd. (Jiangsu Chengde) received countervailable subsidies during the POR. We invite interested parties to comment on these preliminary results.

DATES: EFFECTIVE DATE: (Insert date of publication in the *Federal Register*.)

FOR FURTHER INFORMATION CONTACT: Christopher Siepmann, Joseph Shuler, or Sergio Balbontin, AD/CVD Operations, Office I, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-7958, (202) 482-1293, (202) 482-6478, respectively.

Scope of the Order

The scope of the order consists of OCTG.¹ The merchandise subject to the order is currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) under item

¹ On 02/07/2014, the Department issued a final scope determination that seamless unfinished OCTG that are produced in the PRC and further processed into certain grades of finished OCTG by particular finishing processes

numbers: 7304.29.10.10, 7304.29.10.20, 7304.29.10.30, 7304.29.10.40, 7304.29.10.50, 7304.29.10.60, 7304.29.10.80, 7304.29.20.10, 7304.29.20.20, 7304.29.20.30, 7304.29.20.40, 7304.29.20.50, 7304.29.20.60, 7304.29.20.80, 7304.29.31.10, 7304.29.31.20, 7304.29.31.30, 7304.29.31.40, 7304.29.31.50, 7304.29.31.60, 7304.29.31.80, 7304.29.41.10, 7304.29.41.20, 7304.29.41.30, 7304.29.41.40, 7304.29.41.50, 7304.29.41.60, 7304.29.41.80, 7304.29.50.15, 7304.29.50.30, 7304.29.50.45, 7304.29.50.60, 7304.29.50.75, 7304.29.61.15, 7304.29.61.30, 7304.29.61.45, 7304.29.61.60, 7304.29.61.75, 7305.20.20.00, 7305.20.40.00, 7305.20.60.00, 7305.20.80.00, 7306.29.10.30, 7306.29.10.90, 7306.29.20.00, 7306.29.31.00, 7306.29.41.00, 7306.29.60.10, 7306.29.60.50, 7306.29.81.10, and 7306.29.81.50.

The OCTG coupling stock covered by the order may also enter under the following HTSUS item numbers: 7304.39.00.24, 7304.39.00.28, 7304.39.00.32, 7304.39.00.36, 7304.39.00.40, 7304.39.00.44, 7304.39.00.48, 7304.39.00.52, 7304.39.00.56, 7304.39.00.62, 7304.39.00.68, 7304.39.00.72, 7304.39.00.76, 7304.39.00.80, 7304.59.60.00, , 7304.59.80.15, 7304.59.80.20, 7304.59.80.25, 7304.59.80.30, 7304.59.80.35, 7304.59.80.40, 7304.59.80.45, 7304.59.80.50, 7304.59.80.55, 7304.59.80.60, 7304.59.80.65, 7304.59.80.70, and 7304.59.80.80.

Although the HTSUS subheadings are provided for convenience and customs purposes, the written description, available in *Certain Oil Country Tubular Goods From the People's Republic of China: Amended Final Affirmative Countervailing Duty Determination and Countervailing Duty Order*, 75 FR 3203 (January 20, 2010), remains dispositive.

(indicated below) are within the scopes of the antidumping and countervailing duty orders on OCTG from the PRC , regardless of the country in which the further processing occurs. Because the imported finished products do not undergo any significant physical and chemical changes from, and are of the same class or kind of merchandise as seamless unfinished OCTG produced in the PRC, the Department found these products to be within the scope of the order. Specifically, the Department found seamless unfinished OCTG manufactured in the PRC and finished in countries other than the United States and the PRC (*i.e.*, third countries) are within the scope of the order where (a) the finishing consists of heat treatment by quenching and tempering, upsetting and threading (with integral joint), or threading and coupling; and (b) the products are made to the following specifications and grades: API specification 5CT, grades P-110, T-95 and Q-125.

A full description of the scope of the order is contained in the memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations to Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Decision Memorandum for Preliminary Results of Countervailing Duty Administrative Review: Certain Oil Country Tubular Goods from the People’s Republic of China,” dated concurrently with this notice (Preliminary Decision Memorandum), which is hereby adopted by this notice.

The Preliminary Decision Memorandum is a public document and is on file electronically *via* Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (IA ACCESS). IA ACCESS is available to registered users at <http://iaaccess.trade.gov> and in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Preliminary Decision Memorandum can be accessed directly on the internet at <http://www.trade.gov/enforcement/>. The signed Preliminary Decision Memorandum and the electronic versions of the Preliminary Decision Memorandum are identical in content.

Partial Rescission of the 2012 Administrative Review

On May 29, 2013, United States Steel Corporation timely withdrew its request for the 2012 administrative review with respect to all companies except Wuxi and Jiangsu Chengde.² This withdrawal affects over 525 PRC producers/exporters of the subject merchandise covered in the *Initiation Notice*.³ In accordance with 19 CFR 351.213(d)(1),⁴ and consistent with our

² See letter from Petitioner, “Certain Oil Country Tubular Goods from the People’s Republic of China: Partial Withdrawal of Request for Administrative Review” dated May 29, 2013.

³ See *Initiation of Antidumping and Countervailing Duty Administrative Reviews and Request for Revocation in Part*, 78 FR 13631 (February 28, 2013) (*Initiation Notice*).

⁴ In accordance with 19 CFR 351.213(d)(1), the Department will rescind an administrative review “if a party that requested the review withdraws the request within 90 days of the date of publication of notice of initiation of the requested review.” The instant review was initiated on February 28, 2013. Therefore, the deadline to withdraw review requests was May 29, 2013. Thus, Petitioners’ withdrawal request is timely.

practice,⁵ we are rescinding this review in its entirety with the exception of Wuxi and Jiangsu Chengde.

Methodology

The Department has conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we preliminarily determine that there is a subsidy, *i.e.*, a government-provided financial contribution by an “authority” that gives rise to a benefit to the recipient, and that the subsidy is specific.⁶

In making these findings, we relied, in part, on facts available and, because one or more respondents did not act to the best of their ability to respond to the Department’s requests for information, we have drawn an adverse inference in selecting from among the facts otherwise available.⁷ For further information, *see* “Use of Facts Otherwise Available and Adverse Inferences” in the Preliminary Decision Memorandum.

Finally, the Department was not able to make a preliminary determination of countervailability for certain programs because it requires additional information.⁸ We intend to seek that information prior to our final results, and issue a post-preliminary determination with the Department’s findings with regard to those programs.

For a full description of the methodology underlying our conclusions, *see* Preliminary Decision Memorandum.

⁵ *See, e.g., Brass Sheet and Strip from Germany: Notice of Rescission of Antidumping Duty Administrative Review*, 73 FR 49170 (August 20, 2008); *see also Certain Lined Paper Products from India: Notice of Partial Rescission of Antidumping Duty Administrative Review and Extension of Time Limit for the Preliminary Results of Antidumping Duty Administrative Review*, 74 FR 21781 (May 11, 2009).

⁶ *See* sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and, section 771(5A) of the Act regarding specificity.

⁷ *See* sections 776(a) and (b) of the Act.

⁸ *See* Preliminary Decision Memorandum at “Analysis of Programs – II. Programs For Which More Information is Required.”

Preliminary Results of the Review

In accordance with 19 CFR 351.221(b)(4)(i), we calculated individual subsidy rates for Wuxi and Jiangsu Chengde for the period January 1, 2012, through December 31, 2012.

We preliminarily find the net subsidy rates for the producers/exporters under review to be as follows:

Producer/Exporter	Net Subsidy Rate
Wuxi Seamless Oil Pipe Co., Ltd.; Bazhou Seamless Oil Pipes Co. Ltd.; Liaoyang Seamless Oil Pipes Co. Ltd.; Mengfeng Special Steel Co. Ltd.; Songyuan Seamless Oil Pipes Co. Ltd.	31.78%
Jiangsu Chengde Steel Tube Share Co., Ltd.	1.49%

Disclosure and Public Comment

The Department will disclose to parties to this proceeding the calculations performed in reaching the preliminary results within five days of the date of publication of these preliminary results.⁹ Due to the anticipated timing of the release of post-preliminary analysis memoranda, interested parties may submit written comments (case briefs) for this administrative review no later than one week after the issuance of the last post-preliminary analysis memorandum, and rebuttal comments (rebuttal briefs) within five days after the time limit for filing case briefs.¹⁰ Pursuant to 19 CFR 351.309(d)(2), rebuttal briefs must be limited to issues raised in the case briefs. Parties who submit arguments are requested to submit with the argument: (1) a statement of the issue; (2) a brief summary of the argument; and (3) a table of authorities.

Interested parties who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Enforcement and Compliance, U.S.

⁹ See 19 CFR 351.224(b).

¹⁰ See 19 CFR 351.309(c)(1)(ii) and 351.309(d)(1).

Department of Commerce within 30 days after the date of publication of this notice.¹¹ Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, we will inform parties of the scheduled date for the hearing which will be held at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a time and location to be determined.¹² Parties should confirm by telephone the date, time, and location of the hearing.

Parties are reminded that briefs and hearing requests are to be filed electronically using IA ACCESS and that electronically filed documents must be received successfully in their entirety by 5 p.m. Eastern Time on the due date.

Unless the deadline is extended pursuant to section 751(a)(3)(A) of the Act, the Department will issue the final results of this administrative review, including the results of our analysis of the issues raised by the parties in their comments, within 120 days after issuance of these preliminary results.

Assessment Rates

For the rescinded companies, countervailing duties shall be assessed at rates equal to the cash deposit of estimated countervailing duties required at the time of entry, or withdrawal from warehouse, for consumption, during the period January 1, 2012, through December 31, 2012, in accordance with 19 CFR 351.212(c)(1)(i). The Department intends to issue appropriate assessment instructions directly to U.S. Customs and Border Protection (CBP) 15 days after publication of this notice.

For Wuxi and Jiangsu Chengde, consistent with section 751(a)(1) of the Act, upon issuance of the final results, the Department shall determine, and CBP shall assess,

¹¹ See 19 CFR 351.310(c).

¹² See 19 CFR 351.310.

countervailing duties on all appropriate entries covered by this review. We intend to issue instructions to CBP 15 days after publication of the final results of this review

Cash Deposit Requirements

If the final results of this review are the same as these preliminary results, the Department also intends to instruct CBP to collect cash deposits of estimated countervailing duties in the amounts shown above for Wuxi and Jiangsu Chengde. For all non-reviewed firms, we will instruct CBP to continue to collect cash deposits of estimated countervailing duties at the most recent company-specific or all-others rate applicable to the company. These cash deposit requirements, when imposed, shall remain in effect until further notice.

This administrative review and notice are in accordance with sections 751(a)(1) and 777(i) of the Act and 19 CFR 351.213.

Dated: February 18, 2014.

Paul Piquado,
Assistant Secretary
for Enforcement and Compliance.

Appendix

List of Topics Discussed in the Preliminary Decision Memorandum:

1. Scope of the Order
2. Use of Facts Otherwise Available and Adverse Inferences
3. Subsidies Valuation Information
4. Analysis of Programs

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